

**MINUTES  
OF THE STUDY SESSION OF THE  
EDINA CITY COUNCIL  
HELD AT CITY HALL  
MAY 27, 2008  
12:30 P.M.**

Mayor Hovland called the meeting to order at 12:30 p.m. in the Community Room of City Hall. Answering rollcall were: Members Bennett, Housh, Masica, Swenson and Mayor Hovland. Staff present included: Gordon Hughes, City Manager; Heather Worthington, Assistant City Manager; Wayne Houle, City Engineer; John Wallin, Finance Director; Eric Roggeman, Assistant Finance Director; and Debra Mangen, City Clerk. Also present were consultants Jeff Oertel, Oertel Architects; John Jacobs and Steven Brown, JE Dunn Construction; and Mark Ruff, Ehlers Associates.

Mayor Hovland said the purpose of the work session was to review the future of the Public Works facility and to discuss the options with respect to the possible relocation to the ConAgra property.

Mr. Hughes stated that Opus would still like to have the designation of developer of the existing Public Works site, but was not interested in paying the June \$100,000 due to keep the option in place on the ConAgra site. Council declined to affirm Opus as designated developer.

The Council, staff and consultants discussed various aspects of relocating the Public Works facility. It was noted relocating to the ConAgra site would cost an estimated \$12,000,000 to \$13,000,000 to renovate, outside of land cost. Staff said that the first estimate from Opus of between \$5,000,000 and \$6,000,000 had suggested reutilization of the building as it was and had not factored the need to house the city's fleet of maintenance vehicles. Some factors driving increased renovation cost included: fleet requirement for reinforced flooring that allowed drainage, technical need of the maintenance bays, air quality requirements, and storage requirements for winter street maintenance chemicals. Other possible locations were reviewed; a total demolition and rebuild on the ConAgra site were also explored. LEED principles were discussed as desirable for whatever option was deemed optimal.

It was noted the City's existing Public Works site was valued at about \$4,000,000, and an appraisal from 2007 valued the ConAgra site at approximately \$8,000,000. Mark Ruff, Ehlers Associates, reviewed the tax impact of bonding for approximately \$20,000,000. He noted that interest rates were in the low fours and the City had some Tax Increment Financing Districts decertifying which would aid in keeping the City's levy from having steep increases. Financing options discussed included: increasing the Capital Improvement Program to \$20,000,000 and issuing bonds; possible use of interim lease financing until the existing Public Works site was re-developed, possibly financing a portion of the renovation using utility bonds, or possibly lease revenue bonds. Mr. Ruff said that utility bonds would have the same rate as a G.O. Bond, but lease revenue bonds would have a shorter term and possibly a lower rate.

Mr. Hughes voiced a need for a real estate expert to review the ConAgra property. The Council agreed to the need for a real estate expert, to continue exploring the options, and that a public hearing would be necessary to garner public input about the City's options for relocation.

Mayor Hovland adjourned the meeting.

Respectfully submitted,

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Debra Mangen, City Clerk